

C 41152

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Name.....

Reg. No.....

**FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
APRIL 2023**

B.Com.

BCM 4B 05—COST ACCOUNTING

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

**Part A***Answer all the questions.**2 marks each.**Max. 25 Marks.*

1. Define cost Accountancy.
2. What is Activity Based Costing ?
3. What are direct costs ?
4. What is standard costing ?
5. What is composite cost unit ?
6. What is danger level ?
7. What is EOQ ?
8. What is FSN analysis ?
9. Who are casual workers ?
10. What is apportionment of overhead ?
11. Define contract costing.
12. What is Normal loss ?
13. What is Budgeting ?
14. What is Variance ?
15. What is Labour cost variance ?

(15 × 2 = 30 Maximum Ceiling - 25 Marks)

**Turn over**

**Part B**

*Answer all the questions.*

*5 marks each.*

*Max. 35 Marks.*

16. What do you mean by VED analysis ?
17. Write a note on ascertainment of profit on incomplete contract.
18. Briefly write about the characteristics of Process costing
19. What are the techniques of costing ?
20. A manufacturing company uses 12,000 units of materials per year. The cost of placing an order is ₹ 12 per order. Cost of material per unit is ₹ 1. Inventory carrying cost is 24 %. Find EOQ.
21. From the following particulars, prepare the Stores Ledger Account under Simple Average Price method :

Stock on	1-1-2022	400 units @ Rs. 10 per Unit
Purchased on	2-1-2022	100 units @ Rs. 11 per Unit
Issued on	4-1-2022	400 units
Purchased on	8-1-2022	600 units @ Rs. 12 per Unit
Issued on	10-1-2022	500 units
Purchased on	13-1-2022	500 units @ Rs. 13 per Unit
Issued on	15-1 -2022	600 units
Purchased on	17-1-2022	800 units @ Rs. 14 per Unit
Issued on	20-1-2022	500 units
Issued on	22-1-2022	200 units
Purchased on	25-1-2022	500 units @ Rs. 15 per Unit
Purchased on	28-1-2022	300 units @ Rs. 16 per Unit
Issued on	31-1-2022	400 units

22. Work out the machine hour rate for the following machine whose scrap value is nil :

Cost of the machine	...	90,000
Other charges, freight and installation	...	10,000
Working life	...	10 years
Working Hours	...	2000 hours per year
Repairs charges	...	50 % of depreciation

- Power - 10 units per hour, at 10 paise per unit.
- Lubricating oil, at Rs. 21 per day of 8 hours.
- Consumable stores at Rs. 10 per day of 8 hours.
- Wages of machine operator at Rs. 4 per day of 8 hours.

23. From the following information calculate the earnings of Geetha and Seetha, on Taylor's differential piece rate system :

Standard Production	...	8 units per hour
Normal time rate	...	Re. 0.40 per hour

Differential to be applied ; 80 % of piece rate below standard. 120 % of piece rate at or above standard. In a day Geetha produces 54 units and Seetha produces 75 units.

(8 × 5 = 40 Maximum Ceiling - 35 Marks)

### Part C

*Answer any two of the following.*

*10 marks each.*

24. You are required to prepare Contract Account showing the profit on the contract on 30<sup>th</sup> April, 2022, from the following particulars :

Contract price	...	1,00,000
Materials sent to site	...	32,250
Labour engaged on site	...	27,400
Plant installed at site	...	5,650
Work certified	...	71,500
Cash received from contractee	...	65,000
Value of plant as on 30 <sup>th</sup> April, 2022	...	4,100

**Turn over**

Cost of work done, but not certified	...	1,700
Direct Expenditure	...	1,200
Cost of Establishment	...	1,625
Wages outstanding at 30 <sup>th</sup> April, 2022	...	900
Material in hand on 30 <sup>th</sup> April, 2022	...	700
Direct Expenses outstanding on 30 <sup>th</sup> April, 2022	...	100
Materials returned to store	...	200

25. From the following information and the assumption that the balance in hand on 1<sup>st</sup> January 2022 is Rs. 72,500, prepare a cash budget :

Month	Sales	Materials	Wages	Selling and Distribution Cost	Production Cost	Administration Cost
January	72,000	25,000	10,000	4,000	6,000	1,500
February	97,000	31,000	12,100	5,000	6,300	1,700
March	86,000	25,500	10,600	5,500	6,000	2,000
April	88,600	30,600	25,000	6,700	6,500	2,200
May	1,02,500	37,000	22,000	8,500	8,000	2,500
June	1,08,700	38,800	23,000	9,000	8,200	2,500

- Assume that 50 % are cash sales.
  - Assets are to be acquired in the month of February and April. Therefore, provision should be made for the payment of Rs. 8,000 and Rs. 25,000 for the same.
  - An application has been made to the bank for the grant of a loan of Rs. 30,000 and it is hoped that it will be received in the month of May.
  - It is anticipated that a dividend of Rs. 35,000 will be paid in June.
  - Debtors are allowed one month's credit.
  - Sales commission at 3 % on sales is to be paid.
  - Creditors (for goods or overheads) grant one month's credit.
26. Briefly explain the steps in the overhead accounting.
27. What is time keeping and time booking ? Discuss the various methods of time keeping and time booking.

(2 × 10 = 20 marks)